UNIVERSITY OF JOHANNESBURG

FACULTY OF MANAGEMENT

SUPPLEMENTARY EXAMINATION

DEPARTMENT OF APPLIED INFORMATION SYSTEMS (AIS)

MODULE	:	ADVANCED PROJECT MANAGEMENT 4
CODE	:	PMA41-1
DATE	:	DECEMBER 2014
DURATION	:	3 HOURS
TIME	:	TBA
TOTAL MARKS	:	100

EXAMINER (S)	:	MR KWETE MWANA NYANDONGO
EXTERNAL MODERATOR (S)	:	MR SIMON TSHINU
NUMBER OF PAGES	:	5 PAGES

INSTRUCTIONS TO CANDIDATES:

- Question paper must be handed in.
- This is a closed book assessment.
- Read the questions carefully and answer only what is asked.
- Number your answers clearly.
- Write neatly and legibly.
- Structure your answers by using appropriate headings and sub – headings.
- The general University of Johannesburg policies, procedures and rules pertaining to written assessments apply to this assessment.

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SECTION A: CASE STUDY

1. Introduction

Internet Health Technology Network (IHTN) was the idea of Peter Goodwood. Peter was an entrepreneur that had both the ideas and the motivation. This primary idea was to connect all medical practitioners through an electronic network like the Internet, to the different medical aid companies. IHTN would then act as the intermediary and develop and maintain the network. This value added network (VAN) would benefit both the medical practitioners as well as the medical aid companies. It would, therefore, present a win-win situation for all involved.

The idea was that medical practitioners would subscribe to the IHTN VAN and pay an annual fee plus a transaction fee of 1% of the transaction value. They would then be able to submit claims electronically to the various medical aid companies reducing the turn-around time between submitting a claim and receiving payment from 30 days to 48 hours. It would also reduce the amount of administration for the medical aid companies, as claims would only be captured once.

2. Project background

IHTN approached various large IT companies to develop the system for them but few were interested due to their lack of business history and financial resources. They eventually approached ISM South Africa, an international IT company with a good reputation and many years of experience. Some of the executives of ISM were impressed with the idea and suggested a partnership where ISM would act as both the venture capitalist and IT partner. ISM would "loan" IHTN the money and when the project was completed and IHTN started generating profits, the capital loan would be paid back. IHTN only had to invest a small portion of the initial capital. This they intended getting from external venture capitalists or from buy-in from the medical practitioners. The partnership agreement was referred to the legal representatives of both parties. As this was a very innovative project with extraordinary circumstances, it was going to take some time to come up with a contract that suited both parties. As there was talk that another company had started working on a similar system, timing was critical and the project started hastily without any contracts or agreements being finalised. The project had to be completed in nine months if it was to beat the competition.

IHTN was based in Pietermaritzburg and ISM in Sandton, some five hundred kilometres apart. IHTN consisted of five employees of which three made up the board of directors. They had known each other for some time and together decided to resign from their jobs and start the IHTN venture. It was decided that John, one of the directors, would commute to ISM's offices and handle all project-related issues. Peter, another director, focused on the marketing side by visiting the medical practitioners and the medical aid companies through the whole of South Africa. Frank, the third director, managed the IHTN office with two administrative assistants.

QUESTION 1

Given the project information above, discuss how you would structure such project and provide five reasons you believe it is the best option for this project. Also provide 5 problems associated with the chosen structure which are relevant to the case study.

[12]

QUESTION 2

Discuss five potential risks facing the project and specify what the consequence (impact) would have been of each should it have realised.

[10]

QUESTION 3

Assume this is a current project your organization is actually investing in, and you have been appointed as the project manager. Develop a milestone schedule with acceptance criteria for this event. Include 4 milestones.Use a four (4) column table to structure your answer using the following columns: Milestone, Completion Date, Stakeholder, and Acceptance Criteria.

[10]

QUESTION 4

Assume this is a current project your organization is actually investing in, and you have been appointed as the project manager. Develop a milestone schedule with acceptance criteria for this event. Include 4 milestones.Use a four (4) column table to structure your answer using the following columns: Milestone, Completion Date, Stakeholder, and Acceptance Criteria.

[10]

SECTION B

QUESTION 1

Given the following data, create the project schedule network. Then, using the Two-pass method, calculate and show the early and late starts and slack for each activity and the critical path.

Activity	Days	Immediate Predecessor
A	5	
B	2	A
C	4	A
D	7	A
E	3	B
F	6	B,C
G	8	E,F

[3*7=21]

QUESTION 2

A certain project has three activities on its critical path. Activity A's normal completion time is five days, it can be crashed to three days at a cost of $500. Activity B's normal completion time is six days, and it can be crashed to four days at a cost of $50. Activity C's normal completion time is eight days, it can be crashed to three days at a cost of $1,000. Calculate the crash cost per day per activity and indicate which activity should the project manager crash first and justify why it should be crashed first.

[7]

QUESTION 3

Companies are constantly in need of outsourcing or contracting significant segments of project work to other companies. The trend for the future suggests that more and more projects will involve working with people from different organisations. Researches also find that through strategic partnerships, organisations can achieve more by transforming contractual arrangement into a cohesive and collaborative project team. Answer the following questions in relation to this statement:

a) Describe three differences between a partnering relationship and a traditional practice.

(6)

b) Use a three column table to analyse the advantages to both parties, advantages to clients and advantages to vendors.

(6)

[12]

QUESTION 4

You are provided with the following information regarding a project:

- The brought forward for April is R10,000 and
- The forecast rate of invoicing (FRI) for this period of the project has been agreed at R15, 000 per month.
- The associated cash flow outlined in the following figure:

Month and Week Number					April				May				June					July		
ID	Task Name	Duration	Cash Flow	Costs	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29
1	Design	4 weeks	Same month	$4000	4000															
2	Material	2 weeks	Same month	$2000			2000													
3	Builders	2 weeks	Same month	$4000				2000	2000											
4	Building Material	3 weeks	1 month credit	$6000										6000						
5	Building Fittings	3 weeks	1 month credit	$3000												1000		2000		
6	Builders	3 weeks	Same month	$9000											9000					
7	Transport	1 week	1 month up-front	$5000												5000				
					$8000				$2000				$21000					$2000		

Using the information above, produce a cash flow statement for the months April to July

[12]

QUESTION 5

Give two examples of why a project might be terminated early for cause and one examples of why a project might be terminated early for convenience.

[3]

QUESTION 6

You are a project manager leading an IT development project. Halfway through your project, you realize that you will need to hire an additional worker in order to complete the project on time. You are organizing a meeting with project sponsors to discuss. Which type of power(s) would be best to use in this situation and why?

[3]

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